## **REMARKS**

The present amendment is submitted in response to the Office Action dated December 27, 2007, which set a three-month period for response, making this amendment due by March 27, 2008.

Claims 1-6 are pending in this application.

In the Office Action, claim 1 was objected to for an informality. Claims 1-6 were rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 6,014,023 to Yokotani et al.

In the present amendment, claim 1 has been amended to address the objection.

To more clearly define the present invention over the cited reference to Yokotani, claim 1 was also amended to add the feature that the two sensor elements 5, 6, are positioned symmetrically to a central axis between the two permanent magnets 2, 3. Support for this feature can be found in original Figs. 1 through 4 and the corresponding description.

According to Fig. 1, the central axis runs between the two magnets 2, 3, corresponding to the B-field orientation (designated by the corresponding arrow) at a distance  $\frac{\alpha}{2}$ . By the arrangement of the sensor elements 5, 6, symmetrically to this central axis, the offset of the output signal of the sensor elements is minimized in the gradiometer assembly, as further defined in claim 1.

The Applicants respectfully submit that the above amendment to claim 1 clarifies the distinction of the present invention of the Yokotani reference. As

shown in Fig. 1dof Yokotani, both sensor elements 3a, 3b are arranged symmetrically about an axis, *which is formed by the right edge of the magnet*21. This arrangement, however, does not serve as an offset compensation; rather it is selected so that the resistance of the magneto-resistive parts 3a, 3b changes when the rotary element made from magnetic material moves. Yokotani provides no disclosure or discussion at all regarding offset compensation. In addition, the specific symmetrical arrangement of the sensor elements about the edge of the magnet is disclosed in Yokotani in column 6, lines 49-53 and column 8, lines 8-13).

With the subject matter of the present invention, the offset compensation is therefore desired, so that the sensor elements are not saturated relative to the magnetization. Then reference can be made back to the sensor elements with a linear characteristic line, as is the case for example with GMR spin valves.

In Yokotani, n contrast, the symmetric arrangement with regard tot eh edge of the magnet ensures that a clear position signal with regard to the symmetrical arrangement of the sensor elements *relative to the magnet edge* can be obtained, in particular directly after the electrical current supply is switched on (see column 3, lines 4-12).

Because claim 1 therefore includes features that are not disclosed by Yokotani, the rejection under Section 102 cannot stand. Yokotani cannot be a proper reference under 35 USC 102 pursuant to the guidelines set forth in the last paragraph of MPEP section 2131, where it is stated that "a claim is anticipated only if each and every element as set forth in the claims is found,

either expressly or inherently described, in a single prior art reference", and that "the identical invention must be shown in as complete detail as is contained in the ... claim".

The application in its amended state is believed to be in condition for allowance. Action to this end is courteously solicited. Should the Examiner have any further comments or suggestions, the undersigned would very much welcome a telephone call in order to discuss appropriate claim language that will place the application into condition for allowance.

Respectfully submitted,

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